

## Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 06 December 2019	09:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

### Present

Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); and Councillor Amanda Hawick (Shetland Islands Council).

### Chair

Councillor Shaw, Convener, presided.

### In Attendance

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, L Campbell, Corporate Services Manager, and K Murphy, Procurement Coordinator (Policy) (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager, C McCourt, Finance Business Partner, E Currie, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

### Apologies

Councillor Graham Hutchison (City of Edinburgh Council); and Councillor Alister Mackinnon (Highland Council).

### Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

## **Order of Business**

In terms of Standing Order 12, the Convener intimated that he proposed to alter the order of business to facilitate the conduct of the meeting by considering item 2 of the agenda after item 3 of the agenda.

### **1 Minute**

There was submitted the Minute of the meeting of the Executive Sub-committee held on 22 November 2019.

**DECIDED:** That the Minute be approved.

### **2 Living Wage Terminology**

There was submitted a report by the Director of Scotland Excel relative to the various definitions used when referring to the Living Wage and outlining the terminology Scotland Excel would use in future reports.

The report provided information in relation to the Real Living Wage; the Scottish Living Wage; the Scottish Local Government Living Wage; the Glasgow Living Wage; the National Minimum Wage; and the National Living Wage.

**DECIDED:** That, in line with the Scottish Government, Scotland Excel would support the voluntary rate rather than the legal minimum rate of pay set by the UK Government and in recognising that the various definitions and terminology could be confusing, Scotland Excel would consistently and strongly promote the voluntary rate and the use of the term 'Real Living Wage' to make a distinction from the legal minimum rate set by the UK Government.

### **3 Revenue Budget Monitoring**

There was submitted a revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April to 8 November 2019.

The report intimated that Scotland Excel was projecting a break-even position by year-end in its core activities and that it was anticipated that projects would contribute £173,000 to core.

The table in the report provided an analysis of the actual spend to date along with projected net expenditure for 2019/20 and included a summary of movement in the revenue reserve.

**DECIDED:** That the report be noted.

## **Sederunt**

Provost Macdonald entered the meeting during consideration of the following item of business.

## 4 National Care Home Contract Cost Model

There was submitted a report by the Director of Scotland Excel providing an update on work being undertaken to complete the National Care Home Contract (NCHC) Cost Model.

The report intimated that the Cost Model had been developed to provide a transparent and evidence-based approach to underpin the national rate and provide longer-term sustainability for care homes for older people in Scotland. Agreement had been reached on the majority of the elements contained in the Cost Model which related to direct care, however, for the past three years, there had been no agreement on the business cost elements of the model. Last year's offer to the care home sector had been based on the Cost Model and it was agreed that further joint work would be required on the business costs and commercial return section in an attempt to finalise the model. This did not impact on the rate offered and it was made clear to the sector that it might be necessary to look at an alternative approach to reach agreement from April 2020 onwards, given the number of benchmarks rejected by them on the basis that they fell short of their member's expectations.

It was unlikely that agreement on the whole model would be reached for the 2020/21 national rate and it was proposed that the Cost Model be used to enter into negotiation with the sector on the annual uplift based on the direct care costs. Scotland Excel, supported by CoSLA, would lead the negotiation for local government.

Scottish Care called an Extraordinary General Meeting on 30 October 2019 followed by a member vote which concluded on 8 November 2019. Scottish Care advise that their members voted to accept the agreed Cost Care Model elements related to Direct Care Costs and for further negotiation on the outstanding elements of capital and provider return, occupancy and efficiency. Effectively members voted for a continuance of the national approach on agreeing the National Care Home Contract and Cost Model.

Scotland Excel had advised stakeholders of the current position and would lead negotiations with the sector supported by CoSLA following further consultation with stakeholders.

**DECIDED:** That the report be noted.

## 5 Contract Delivery Plan Update

There was submitted an update report by the Director of Scotland Excel relative to the progress of the 2019/20 contract delivery plan.

The report intimated that the contract delivery plan comprised framework renewals, new developments, framework extensions and frameworks with ongoing contract management only and appendices 1 to 4 to the report provided further details.

The report highlighted that contract delivery remained active with 73 current frameworks in the Scotland Excel portfolio, 12 of which were planned for renewal throughout the year; a further 15 new frameworks were planned for the year, nine of which had been delivered to date; and a further 23 frameworks on the current portfolio had extension options, 21 of which had already been approved.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2020 would be approximately £1.9 billion.

It was noted that overall, efficiencies delivered to date were 2.7% which was above the 2.5% forecast savings.

In addition to the activity detailed in appendices 1 to 4, Scotland Excel had explored the benefits of further collaborative procurement across high spend, critical service areas of adult social care and construction; was currently evaluating the tender for care and support services, with the framework scheduled to go live in February 2020; would be working with members to undertake the strategy development phase of the Engineering and Construction Consultancy, with the framework scheduled to go live in Autumn 2020; and would continue to work in conjunction with the Digital Office to procure a replacement Social Work Care Case Management System.

As detailed in Appendix 5 to the report, contract participation levels remained high with spend levels in excess of 87% against forecast in the 12 months from July 2018 to June 2019. Expenditure across the portfolio was anticipated to continue to rise over the course of next year and beyond.

It was proposed that future reports contain reference to the targets set and that information be presented using the traffic light system of red, amber and green. This was agreed unanimously.

**DECIDED:**

(a) That the progress to date be noted; and

(b) That future reports contain information regarding targets set and that the information be presented using the traffic light system of red, amber and green.

## **6 Employee Absence Management Report**

There was submitted a report by the Director of Scotland Excel relative to employee absence statistics for Scotland Excel. The report advised of the absence levels for the period ending 31 October 2019, the previous six and 12 months and provided information relating to the absence statistics and reasons.

It was proposed that information relating to the previous three years be detailed in future reports. This was agreed unanimously.

**DECIDED:**

(a) That the report be noted; and

(b) That information relating to the previous three years be detailed in future reports.

## **7 Date of Next Meeting**

**DECIDED:** That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 31 January 2020 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.